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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/24/07

SPONSOR Feldman LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Community-Based Behavioral Health Services SB 1034

ANALYST Geisler

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$16,000.0	Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to: HB 609, HB 835, SB 879

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	Unknown, see narrative		Recurring	Federal

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)  
Human Services Department (HSD)  
Health Policy Commission (HPC)

### SUMMARY

#### Synopsis of Bill

Senate Bill 1034 would appropriate \$16,000,000 to the Department of Health (DOH) to provide community-based services and supports to persons who:

- have a mental disorder, a developmental disorder, a brain injury, a substance abuse disorder or any combination thereof; or

- have been in a residential treatment facility, psychiatric hospital, evaluation facility or jail two or more times in the past four years and are eighteen years of age or older.

Funds may be used to provide case management or comprehensive community support services; counseling; individual or group therapy; day or partial-day programming activities such as psychosocial rehabilitation; medication; alcohol or substance abuse treatment and counseling; crisis supports; and supportive housing or other supervised living arrangements. DOH may purchase services from a single behavioral health entity, provide the services directly, or contract with another qualified provider to provide the services directly. Some of the appropriation may be used to provide matching funds for the Medicaid program on behalf of persons who meet eligibility criteria as set forth above.

### **FISCAL IMPLICATIONS**

HSD and DOH note that it is likely that some individuals who would be served with the appropriation in SB 1034 would be Medicaid-eligible recipients. If this is the case, any monies used to provide services included in the state Medicaid benefit package could be eligible for federal match. The number of eligible clients and the amount of this impact cannot be readily determined.

This appropriation, if not spent in FY08, could carry over into future years. Any unexpended balance would not revert to the general fund.

### **SIGNIFICANT ISSUES**

The populations identified in SB 1034 have been targeted for enhanced behavioral health services in the Governor's Performance Measures and Accountability Contract. Provision of expanded community-based services statewide would decrease the reliance on high-end inpatient and residential facilities, and increase utilization of local outpatient and intensive outpatient services to maintain individuals in their communities.

Supportive housing and other supervised living arrangements are especially in short supply. The Developmental Disabilities Supports Division, Intake and Eligibility Bureau is under pressure to expedite allocations to the DD Waiver for individuals dually diagnosed with developmental disabilities and a mental illness, creating a ripple effect of other individuals remaining on the waiting list even longer for such allocations.

### **ADMINISTRATIVE IMPLICATIONS**

None for DOH or HSD. Use of such funds would need to be coordinated with the Interagency Behavioral Health Purchasing Collaborative and administered by ValueOptions New Mexico.

### **RELATIONSHIP**

SB1034 relates to the following: HB 609, which proposes to establish the Mandatory Community Treatment Act and HB 835 proposes an appropriation of \$5,000,000 for operation expenses associated with the Mandated Community Treatment Act. SB 879 proposes an appropriation of \$27,000,000 for Medicaid Managed Care Behavioral Health Services.

**AMENDMENTS**

DOH and HSD suggest the following amendments:

1. Page 2, lines 4-5: Add clarifying language allowing appropriate community based services so the sentence now reads:

”... counseling; crisis supports; ~~and~~ supportive housing or other supervised living arrangements; and any other appropriate community-based services.

2. Page 2, lines 5-11: Change this sentence to read as follows, in keeping with §9-7-6.4:

The department, as a Collaborative agency member, shall use this funds in a manner that ensures both availability of services and efficient use of all behavioral health funding. ~~may purchase services from a single behavioral health entity or provide the services directly or contract with another qualified provider to provide the services directly, and the~~ The department may use some of the appropriation to provide matching funds for the medicaid program on behalf of persons who meet eligibility criteria as set forth above.

GG/mt